

Appendix 1

Kentucky Workers' Compensation Program Ten Year Analysis - Total System Costs FY 1988 - CY 1997						
	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
Premium Reported						
Self Insurance Groups			\$65,420,903	\$73,332,147	\$77,418,560	\$102,068,818
Self-Insured Employers			\$128,971,017	\$113,200,047	\$89,365,499	\$111,396,069
Insurance Carriers			\$372,513,650	\$502,032,570	\$417,715,989	\$348,280,563
** Total Premium Reported	\$197,501,665	\$434,993,235	\$566,905,570	\$688,564,764	\$584,500,048	\$561,745,450
Assessments Paid						
Self Insurance Groups			\$14,061,678	\$15,466,008	\$15,442,217	\$13,032,464
Self-Insured Employers			\$27,721,245	\$23,874,288	\$27,897,043	\$28,781,731
Insurance Carriers			\$80,068,703	\$105,880,434	\$86,982,575	\$62,170,203
** Total Assessments Collected	\$51,422,076	\$113,918,642	\$121,851,626	\$145,220,730	\$130,321,835	\$103,984,398
Total System Costs	\$248,923,741	\$548,911,877	\$688,757,196	\$833,785,494	\$714,821,883	\$665,729,848
% Change in Total System Costs			25.48%	21.06%	-14.27%	-6.87%
* Total KY Wages & Salaries	\$26,441,000,000	\$28,128,000,000	\$29,937,000,000	\$31,428,000,000	\$33,636,000,000	\$35,507,000,000
Approximate System Cost/\$100 Pa	\$0.94	\$1.95	\$2.30	\$2.65	\$2.13	\$1.87
% Change in Total System Costs Adjusted for Payroll			17.89%	15.31%	-19.90%	-11.78%

	FY 1994	FY 1995	FY 1996	CY 1996	FY 1997	CY 1997 ***
Premium Reported						
Self Insurance Groups	\$145,049,967	\$195,227,501	\$225,287,624	\$218,458,289	\$209,560,948	\$146,605,986
Self-Insured Employers	\$122,937,120	\$132,215,719	\$161,746,830	\$190,879,777	\$210,430,884	\$221,627,380
Insurance Carriers	\$419,404,304	\$536,969,909	\$588,488,291	\$547,790,527	\$545,864,939	\$484,218,088
** Total Premium Reported	\$687,391,391	\$864,413,129	\$975,522,745	\$957,128,593	\$965,856,771	\$852,451,454
Assessments Paid						
Self Insurance Groups	\$17,410,614	\$22,438,491	\$21,666,461	\$19,791,638	\$18,973,156	\$13,091,943
Self-Insured Employers	\$31,767,084	\$34,955,695	\$30,545,405	\$17,179,630	\$31,191,367	\$20,947,471
Insurance Carriers	\$72,577,742	\$82,184,094	\$79,619,862	\$51,449,032	\$61,637,467	\$45,598,750
** Total Assessments Collected	\$121,755,440	\$139,578,280	\$131,831,728	\$88,420,300	\$111,801,990	\$79,638,164
Total System Costs	\$809,146,831	\$1,003,991,409	\$1,107,354,473	\$1,045,548,893	\$1,077,658,761	\$932,089,618
% Change in Total System Costs	21.54%	24.08%	10.30%	-5.58%	3.07%	-13.51%
* Total KY Wages & Salaries	\$37,298,000,000	\$39,641,000,000	\$41,556,000,000	\$42,874,000,000	\$44,371,000,000	\$45,328,000,000
Approximate System Cost/\$100 Pa	\$2.17	\$2.53	\$2.66	\$2.44	\$2.43	\$2.06
% Change in Total System Costs Adjusted for Payroll	15.71%	16.75%	5.21%	-8.48%	-0.41%	-15.33%

* Source: US Department of Commerce, Bureau of Economic Analysis

** Source: Kentucky Workers' Compensation Funding Commission (9 months of actual CY 97 data available)

*** CY 1997 based upon reported CY 97 data for premiums and assessments annualized using prior quarterly trends and a 3 year trend analysis for wages & salaries

Changes in the Voluntary Market Premium from CY 96 through Estimated CY 97 equals **\$135,424,742**

Changes in the Voluntary Market Premium from FY 97 through Estimated CY 97(6 mos) equals **\$124,601,813**

Increases in the Self-Insured Employers premiums for FY 1997 and CY 1997 are artificial and are due to the change in the calculation method

Note 1: The decreases in the total reported premium for fiscal years 1992 and 1993 resulted from carrier utilization of "deductible" policies rather than a real reduction in the manual premium.

"Deductible credits" became part of the assessment base for Special Fund Assessments via Legislative action during the 1994 General Assembly effective retroactively to May 6, 1993.

Note 2 : FY 1988 included only 8 months of activities as House Bill 1, passed in 1987, became effective on 10/26/87. Therefore, the % comparisons for change in systems costs begin with FY 1989 to FY 1990.